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SIPDIS  
SENSITIVE

STATE FOR SCA/INS AND EEB  
DEPT PASS TO OPIC BRUCE CAMERON

E.O. 12958: N/A  
TAGS: [ECON](#) [EFIN](#) [EINVA](#) [IN](#)

SUBJECT: APPLICATION FOR OPIC FINANCE: REPCO HOME FINANCE LIMITED

REF: SECSTATE 04552

¶1. (SBU) This is in response to reftel, seeking Post input regarding OPIC providing an Investment Guaranty to support a third party loan to Repco Home Finance Limited ("REPCO") for the purpose of expanding its affordable mortgage lending business in southeast India. The US Sponsor connection is through Carlyle Asia Growth Partners III, L.P., and a downstream entity from the Carlyle Group. The Repatriates Co-Operative Finance & Development Bank Limited ("REPCO BANK") is a significant owner of REPCO.

¶2. (SBU) Post is not aware of any derogatory information regarding REPCO or REPCO BANK. REPCO BANK is government owned and appears to follow all RBI guidelines. An RBI Regional Director told Post that oversight of REPCO BANK is more stringent than typical, given that repatriates, its original reason for existence, is still a big part of its business.

¶3. (U) REPCO BANK began operations in 1969 to enable repatriates from Burma and Sri Lanka to receive foreign remittances by lowering the tough guidelines governing foreign exchange. The home finance business began in 2000, and in December 2007 Carlyle Group invested USD 27 million to start REPCO Infrastructure Development to fund state government infrastructure projects using Private-Public Partnerships (PPP).

¶4. (SBU) There are no reports of REPCO, REPCO BANK, or its investors being involved with terrorist financing, money laundering, or other illicit activities. Post is not aware of any information that would indicate that the Investment Guaranty should not be made.

¶5. (U) Chennai contributed to this cable.

MULFORD